

STATE OF WISCONSIN
DEPARTMENT OF HEALTH AND FAMILY SERVICES
DIVISION OF MANAGEMENT AND TECHNOLOGY
BUREAU OF FISCAL SERVICES

ACCOUNTING PROCEDURE

TOPIC: Section 4--Receivables 3.1	EFFECTIVE DATE: 06/13/86
TITLE: Notification of Salary Overpayments	REVISION DATE: 9/13/99
AUTHORIZED BY: Cheryl Thompson, Deputy Director	PAGE 1 OF 4

Notification of DMT, Bureau of Personnel and Employment Relations, Bureau of Fiscal Services, and the Employee.

PROCEDURES

1. The Institution or BPER Payroll Specialist identifies the overpayment and, wherever possible, makes arrangements so that the salary overpayment check (or electronic deposit) is not received by the employee. The deadline for informing Central Payroll to stop the electronic deposit process is 4:00 p.m. Wednesday--the day before payday.

Upon discovery of a salary overpayment, checks should be stopped through the central payroll system, held at the institution or division payroll office, or by the supervisor. Checks should be stopped at the earliest point in time so that subsequent collection efforts (and risk of loss) are minimized. These actions are to be immediate and comprehensive.

Gross salary overpayments of \$50 or less are generally to be considered immaterial due to the cost of processing. Preparation of the DMT-44 and any related salary adjustments are not required, nor are salary overpayments of \$50 or less to be recorded on the fiscal system as a receivable.

2. The Institution or BPER Payroll Specialist has the responsibility to prepare the **initial** collection letter to the employee requesting repayment. The employee has thirty (30) calendar days to repay the salary overpayment. (See Attachment A). **All** subsequent collection efforts are to be done by the Bureau of Fiscal Services (BFS) in accordance with APP **Receivables 2.0**.
3. Institution or BPER Payroll Specialists are to write letters for the following voluntary deductions shown on the DMT-44: Other Insurance; Union Dues; Credit Union; Charity; Maintenance; Tax Sheltered Annuities; Deferred Compensation; and Miscellaneous Deductions. Any credit union deductions must be recovered immediately. All letters for recovery of voluntary deductions are to be sent to BFS to be included with the Accounts Receivable System invoice.

Voluntary deductions of \$5 or less generally do not need to be recovered due to the cost of processing repayments.

4. The BPER Payroll Specialist shall adjust the retirement earnings that are reported to the Department of Employee Trust Funds by the central payroll system. Late notification of an overpayment may result in the overpayment of a retirement separation benefit by the Department of Employee Trust Funds.
5. The Institution or BPER Payroll Specialist **immediately** prepares the following documents:
 - a. The 4-ply DMT-44 (9/97) Salary Overpayment.
 - b. An original and three copies of the letter to the employee requesting payment of the obligation (See Attachment A).
 - c. An original and two copies of the letters sent to those organizations receiving designated voluntary deductions from the employee's paycheck (See Attachment B).
6. The Payroll Specialists will distribute these documents referenced in #5 above as follows:
 - a. To the Bureau of Fiscal Services:
 - (1) First, second and third ply of the DMT-44
 - (2) The original and two copies of the letter to the employee (Attachment A)
 - (3) The original and one copy of the letter to organization requesting repayment of the designated voluntary deduction. Attachment B)
 - (4) All pertinent background information.

The Bureau of Fiscal Services has the responsibility to record, collect, and write-off any salary overpayments or voluntary deductions. Salary overpayments and voluntary deductions should be recorded in ARS. BFS will review the DMT-44 for completeness and notify or return the document to the preparer for correction. If DMT-44, with copies of the letters in a(2) and a(3), is complete and is not a total check redeposit, the third ply and a copy of the letter to the employee are sent to the BPER Payroll & Benefit Specialist in the Reporting Section for a partial adjustment to the employee's earnings record.

- b. To be retained by originating Payroll Specialist:
 - (1) Copy of DMT-44
 - (2) Copy of letter to employee (Attachment A)
 - (3) Copy of letter for voluntary deductions (Attachment B)

ATTACHMENTS

- A Notification to Employee of Amount Due
B Request for Repayment of Designated Voluntary Deduction

CONTACT PERSON

Caryl Flesch, Financial Specialist
Institution and Administrative Accounting Section
(608) 266-5733

ATTACHMENT A

SAMPLE NOTIFICATION TO EMPLOYEE OF AMOUNT DUE

(Date)

RE: Overuse of 1999 Leave Credits

Dear (Name):

Due to your termination of July 20, 1999, we find that you have overused 19.00 hours of 1999 leave credits.

The hourly rate of \$16.417 times 19 hours equals \$311.92. However, with an adjustment of \$23.86 for social security, the amount due to the State of Wisconsin is \$288.06.

You may make a check or money order payable to DHFS and forward it to

Department of Health and Family Services
Division of Management and Technology
Bureau of Fiscal Services
Accounts Receivable
PO Box 1668
Madison, WI 53701-1668.

You may contact BFS at (telephone #) to make arrangements for installment payments. We will consider a reasonable request to repay this amount over a period not to exceed 6 months. Our minimum payment amount is \$50.00.

We would appreciate your prompt attention to this matter so further action will not be necessary.

If you have any questions, please feel free to contact me at (telephone #) or in writing in care of the Payroll Office.

Sincerely,

Payroll & Benefits Specialist

cc: Bureau of Fiscal Services

ATTACHMENT B

REQUEST FOR REPAYMENT OF DESIGNATED VOLUNTARY DEDUCTION

(Date)

To Whom It May Concern:

This is to advise that payroll deduction(s) for _____,
SSN# _____ for Pay Period(s) _____, Check Date(s)
_____, have been forwarded to your office in error. This
deduction(s) must be refunded immediately. Please make check payable to DHFS
in the amount of \$_____, and remit to:

Department of Health and Family Services
Division of Management and Technology
Bureau of Fiscal Services
Accounts Receivable
PO Box 1668
Madison, WI 53701-1668

Please include a copy of this letter or the tear strip from the enclosed
invoice with the check(s). Questions may be directed to _____
at ()_____.

Sincerely,

Payroll & Benefits Specialist